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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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M045/0049

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June 30, 2009

Keith Moeller
Clifton Mining Co.
80W Canyon Crest Rd, Ste D
Alpine, Utah 84004

Subject: First Review of Revised Notice of Intention to Commence Large Mining Operations, Clifton Mining Co., Cactus Mill Mine, M/045/0049, Tooele County, Utah

Dear Mr. Moeller:

The Division has completed a review of your revised Notice of Intention to Commence Large Mining Operations for the Cactus Mill Mine, which was received June 15, 2009. The attached comments will need to be addressed before the amendment can be approved.

Although the Division has conducted a review, there are several fundamental problems with the amendment. More comments will be forth coming as additional submissions are received. All permits involved will need to be modified or consolidated to reflect the proposed mining operation.

Please include form MR-REV or MR-REV-SMO/EXP, as appropriate, to submit changes to the notices of intention. These forms must be signed by an official of the operator(s).

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using **redline and strikeout** text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.




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Keith Moeller
M/045/0049
June 30, 2009

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at (801) 538-5261 or Leslie Heppler, at (801) 538-5257. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Paul B. Baker". The signature is written in a cursive, flowing style.

Paul B. Baker
Minerals Program Manager

PBB:lah:vs
Attachment: Review
cc: BLM - larry_garahana@blm.gov
Rick Havenstrike, Desert Hawk Gold Corp, 1290 Holcomb Ave. Reno NV 89502
P:\GROUPS\MINERALS\WP\M045-Tooele\M0450049-CactusMill\Final\REV-3016-06182009.doc

**FIRST REVIEW OF REVISED NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Clifton Mining Co.
Cactus Mill/Gold Hill**

**M/045/0049
June 30, 2009**

General Comments:

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	General	Submittal should be formatted to easily incorporate additional revisions and amendments. Include page numbers on the document.	lah	
2	General	The Cactus Mill permit is has not been maintained and bond is out of date as of 06/10/2003. Submit updated pages so a new bond can be calculated.	lah	
3	General	The Yellow Hammer Pit permit is retired and no longer has a reclamation bond . The Yellow Hammer area should be included within the permit for the Cactus Mill. (See also comment 4 below.)	lah	
4	General	All permits affected by the plan will need to be either updated or consolidated and the bond(s) will need to be calculated. Changes proposed should be submitted as replacement pages, but most plans are out of date, which will make the task difficult. Permits affected include the Cactus Mill, Heart, Yellow Hammer, Cane Springs and Woodman Cane Springs(?) and Clifton Shear(?).	lah	
5	Page 2 & 3	The submitted form MR-(E)REV is for an exploration operation. Please, use the proper form for a Large Mine permit.	lah	
6	Page 2	Revision requested will likely include a change in surety (greater than 50%), and changes are significant. This modification will likely be classified as a revision requiring public notice and not as an amendment.	lah	
7	Page 5	Unnumbered page – Data needs to be presented under the rule of each permit affected.	lah	

R647-4-104 - Filing Requirements and Review Procedures

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
7	General	The officer of the company that holds the permits is the authorized signature of the permits. Either have Keith Moeller sign for the revisions and amendments for each separate permit that will be involved or amend each permit to include Rick Havenstrike as an officer of the different companies. He would need to be listed with the Division of Corporations as an officer.	lah	

R647-4-104 - Operator's, Surface and Mineral Ownership

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
8	Page 3	Page 3 is page 2 of the MR-(E)REV and does NOT include Right of entry	lah	
9	Page 4	Page 4 is page 5 of the MR-(E)REV and is not signed by the officer of the company who holds the permit	lah	

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
10	All Maps	More detail is needed each map needs a scale, north arrow, legend and Township, Range and section.	lah	

105.1 - Topographic base map, boundaries, pre-act disturbance

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
11	Page 6	For each area delineated on page 6 a detail map will be needed to show proposed disturbance.	lah	
12	Page 7-10	Maps are not useable; more detail is needed	lah	
13	Page 11 (Map labeled Cactus Mill Site Surveyed Area)	Map scale is listed as 1"=100' yet 100' on the scale bar is not one inch. More detail is needed on each of the features, as the information will be used to calculate the bond.	lah	

105.2 - Surface facilities map

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
14	Page 11	More detail is needed on each of the features, as the information will be used to calculate the bond.	lah	

105.3 - Drawings or Cross Sections (slopes, roads, pads, etc.)

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
15	Page 12	More detail is needed on the construction of the pads, include lift height details, construction details, leak detection systems.	lah	
16	Page 14	More detail is needed on the Yellow Hammer area; the permit has been closed. Will a new permit be opened or will it be included with the Cactus Mill? How many acres of disturbance in this area?	lah	

105.4 - Photographs

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
17	Page 15-16	It is to the operator's advantage to included more photographs. Include both new areas to be disturbed and historic disturbance.	lah	

R647-4-106 - Operation Plan

General Operation Comments

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
18	Page 17	More detail is needed; include ground water monitoring system that will be installed, monitoring program protocol, include hydrology & storm water protection.	lah	
19	Page 17 & 18	As written "3:1"; rewrite as 3H:1V.	lah	
20	Page 17	It is difficult to see how the total disturbance is going to be less than five acres. Please clarify with the maps. The current permitted disturbance is greater than five acres, and more areas are being added.	lah	
21	Omission	More information is needed if the disturbance is greater than five acres. Include: minerals mined, type of operations conducted, mining method, processing etc., estimated acreages disturbed and reclaimed, annually; nature of materials mined, waste and estimated tonnages; existing soil types, location, amount; existing vegetation - species and amount; depth to groundwater, extent of overburden, geology; Location & size of ore, waste, tailings, ponds; impacts to surface & groundwater systems; impacts to threatened & endangered wildlife/habitat; impacts to existing soils resources; slope stability, erosion control, air quality, safety; actions to mitigate any impacts.	lah	

R647-4-110 - Reclamation Plan

110.1 - Current & post mining land use

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
22	Omission	No post mining use has been listed	lah	

110- General

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
23	Page 18	More detail is needed on neutralizing and or rinsing of the leach pad	lah	
24	Omission	Include detail on roads, highwalls, slopes, drainages, pits, etc., reclaimed; description of facilities to be left (post mining use); description or treatment/disposition of deleterious or acid forming material; revegetation planting program.	lah	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
25	Page 18	Not enough data has been provided to calculate surety. The Division has a spreadsheet that is to be utilized, but much of the cost will be related to rinsing the leach pad.	lah	